

Message Text

CONFIDENTIAL

PAGE 01 TEL AV 07685 040855Z

14

ACTION NEA-12

INFO OCT-01 EUR-25 IO-15 ISO-00 SPC-03 AID-20 EB-11 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 L-03 H-03 PA-03 USIA-15 PRS-01 TAR-02

DRC-01 /192 W

----- 010466

R 040611Z OCT 73

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC 9953

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

C O N F I D E N T I A L TEL AVIV 7685

E O 11652: GDS

TAGS: ETRD, IS

SUBJ: MEETING WITH MINISTER OF COMMERCE & INDUSTRY

1. ON OCT 2, I CALLED ON MINISTER OF COMMERCE & INDUSTRY HAIM BAR-LEV, ACCOMPANIED BY COMMERCIAL ATTACHE AND DCM. ALSO PRESENT WERE AVRAHAM KIRYATI, DIRNOAMNDIV AND UZI NEDIVI, ONE OF MINISTRY'S GATT (GENERAL AGREEMENT ON TARIFFS AND TRADE) EXPERTS. AFTER USUAL AMENITIES I INTRODUCED SUBJECT OF US EXPORTS TO ISRAEL BY NOTING I WAS PUTTING MINISTER "ON NOTICE" THAT, WITH EMBASSY SUPPORT, US COMMERCIAL PROMOTION IN ISRAEL WOULD BE MORE AGGRESSIVE AND MORE EFFECTIVE. I NOTED OUR CONCERN WITH FACT THAT US PERCENTAGE SHARE OF ISRAEL'S IMPORT MARKET HAD FALLEN FROM ABOUT 25 PERCENT TO 19 PERCENT AND WE WERE DETERMINED TO DO EVERYTHING POSSIBLE TO RECAPTURE OUR FAIR SHARE OF ISRAELI MARKET. I NOTED IN THIS RESPECT THAT US AND ISRAEL HAD BEEN IN CONTACT CONCERNING PROBLEMS WE SAW WITH ISRAELI ARRANGEMENTS WITH EEC, PARTICULARLY REVERSE PREFERENCES WHICH WERE DISCRIMINATORY AGAINST AMERICAN GOODS. I ALSO NOTED WITH SATISFACTION THAT IT APPEARED BOTH PARTIES WISHED TO

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TEL AV 07685 040855Z

WORK OUT WHATEVER PROBLEMS EXIST THROUGH CLOSE

BILATERAL CONSULTATIONS TO SUPPLEMENT WORK THROUGH NORMAL MULTILATERAL GATT CHANNELS. I HOPED, HOWEVER, THAT ISRAEL WOULD KEEP IN MIND OUR BROADER CONCERNS WITH RESPECT TO TENDENCIES EEC IS DISPLAYING TOWARDS BECOMING SOMEWHAT CLOSED TRADING BLOCK BY VIRTURE OF VARIOUS ARRANGEMENTS COMMUNITY IS MAKING WITH VARIETY OF NON-MEMBER STATES WHICH, IN EFFECT, WOULD DISCRIMINATE AGAINST THIRD COUNTRY TRADE AND IN PARTICULAR US EXPORT.

2. BAR-LEV ASSURED ME THAT HE AND HIS GOVT WERE WELL AWARE OF US CONCERNS AND WERE PREPARED TO CONTINUE CLOSE BILATERAL CONSULTATIONS ON SUBJECT OF ISRAEL-EEC ARRANGEMENTS. HE NOTED THAT NEXT MEETING BETWEEN EXPERTS EXPECTED LATE THIS MONTH OR IN NOVEMBER, AFTER CURRENT ISRAELI DISCUSSIONS WITH EEC IN BRUSSELS. AS CONCERNS AMERICAN EXPORTS TO ISRAEL, BAR-LEV POINTED OUT THAT WHILE IT TRUE US PERCENTAGE DROPPED FROM 24 PERCENT IN 1971, FIGURES FOR THAT YEAR WERE UNDULY INFLATED BY HEAVY PURCHASES OF CIVILIAN AIRCRAFT. (I REPLIED THAT STATISTICS FOR YEARS 1969 AND 1970 ALSO WHOWED US SHARE OF MARKET AT ABOUT 25 PERCENT, SO WE DID NOT VIEW 1971 PERCENTAGE AS EXTRAORDINARY BUT AS STANDARD WE ARE SHOOTING AT.) HE FURTHER NOTED THAT, ALTHOUGH RELATIVE PERCENTAGE HAD DROPPED, IN ABSOLUTE TERMS US NON-MILITARY EXPORTS TO ISRAEL IN FIRST SIX MONTHS OF 1973 HAD INCREASED FROM DOLS 184 MILLION TO DOLS 272 MILLION.

3. HIS ASSOCIATES THEN MADE STATISTICAL PRESENTATION, POINTING OUT THAT A RECENT MINISTRY STUDY SHOWED THAT 70 PERCENT - 80 PERCENT OF US EXPORTS WERE EXEMPT FROM ANY DISCRIMINATORY EFFECTS DERIVING FROM EEC-ISRAELI ARRANGEMENTS. INDEED, THEY POINTED OUT, CLOSE EXAMINATION OF CERTAIN INDIVIDUAL TRADE CATEGORIES SHOWED THAT THERE WAS AN INCREASED IN AMERICAN EXPORTS IN CATEGORIES WHICH SHOULD HAVE BEEN ADVERSELY AFFECTED (E.G., NUTS AND BOLTS) WHILE OTHER CATEGORIES WHICH SUFFERED NO DISCRIMINATION DID BADLY (E.G., REFRIGERATORS). THE MINISTER DIRECTED THAT THIS STUDY BE MADE AVAILABLE TO THE EMBASSY.

4. I RESPONDED THAT THESE WERE INTERESTING FIGURES AND THAT WE WOULD, OF COURSE, STUDY THE DOCUMENT VERY CAREFULLY. I ADDED THAT WE WELL RECOGNIZE THAT THERE WERE DEFICIENCIES IN OUR COMMERCIAL ACTIVITIES AND OUR COMMERCIAL PRESENCE IN ISRAEL

CONFIDENTIAL

PAGE 03 TEL AV 07685 040855Z

AND THAT WE WERE WORKING HARD TO IDENTIFY THEM AND TO ELIMINATE THEM IN ORDER THAT OUR COMMERCIAL PROGRAM WILL BE MUCH MORE AGGRESSIVE. I HOPED, HOWEVER, THAT THE MINISTRY WOULD, TO THE EXTENT IT IS ABLE, HELP US IN OUR ENDEAVORS TO INCREASE AMERICAN EXPORTS BY ENSURING THAT THE COMMERCIAL ATTACHE RECEIVES ON A TIMELY BASIS INFO CONCERNING POSSIBLE PURCHASE ABROAD WHICH WOULD BE OF INTEREST TO AMERICAN SUPPLIERS.

5. IN HIS REPLY, BAR-LEV MADE IT CLEAR THAT HE PERSONALLY AS WELL AS HIS MINISTRY, WOULD WELCOME AN INCREASE IN AMERICAN EXPORTS TO ISRAEL AND HE HAD ALREADY GIVEN INSTRUCTIONS TO PROVIDE US SUCH INFO AS IS APPROPRIATE ON A TIMELY BASIS. HE NOTED, HOWEVER, THAT THE GOVT OF ISRAEL COULD NOT BY FIAT GUARANTEE TO THE US OR ANY OTHER FOREIGN SUPPLIER A FIXED SHARE OF THE ISRAELI MARKET AND HE REALIZED THIS WAS NOT WHAT WE WERE REQUESTING. WITHIN THE LIMITS OF HIS AUTHORITY, BAR-LEV REITERATED THAT HE WOULD DO EVERYTHING POSSIBLE TO HELP INCREASE EXPANSION OF TRADE BETWEEN ISRAEL AND THE US, SINCE THIS WAS SO OBVIOUSLY OF MUTUAL INTEREST.

6. I EXPRESSED MY APPRECIATION TO THE MINISTER FOR THIS VERY USEFUL AND CANDID DISCUSSION OF A SUBJECT WHICH IS OF SUCH IMPORTANCE TO BOTH COUNTRIES. I NOTED THAT WE WELL RECOGNIZE THE REALISTIC LIMITATIONS TO GOI ACTION WITH RESPECT TO ENHANCING US EXPORT PROSPECTS BUT EMPHASIZED THAT WHAT WE WERE LOOKING FOR WAS A FAIR SHAKE BY THE GOI IN OUR EFFORTS TO BE COMPETITIVE, PARTICULARLY WITH THE EEC SUPPLIERS. I ADDED THAT I WAS REASSURED ON THE BASIS OF THIS CONVERSATION, AND MY OTHER CONTACTS WITH ISRAELI LEADERS ON THE SUBJECT, THAT THE GOI WOULD KEEP US INTERESTS IN MIND AS IT PROCEEDED WITH ITS ARRANGEMENTS WITH THE COMMON MARKET.

7. COMMENT: THIS WAS MY FIRST MEETING WITH BAR-LEV, HE WAS WELL PREPARED, FORCEFUL AND, I THOUGHT, VERY HONEST IN HIS DESIRE TO ENHANCE US-ISRAELI TRADE IN GENERAL AND IN PARTICULAR TO MINIMIZE FRICTIONS WHICH ARISE OUT OF THE DEVELOPING ISRAELI RELATIONS WITH EEC. I BELIEVE THAT IN BAR-LEV WE HAVE A GOOD FRIEND IN OUR CORNER AS CONCERNS THIS PARTICULAR PANOPLY OF US-ISRAELI RELATIONS.
KEATING

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TELAV07685
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS KEATING
Errors: N/A
Film Number: n/a
From: TEL AVIV
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731049/aaaabkcp.tel
Line Count: 146
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 28 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28-Dec-2001 by shawdg>; APPROVED <15-Jan-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MEETING WITH MINISTER OF COMMERCE & INDUSTRY
TAGS: ETRD, IS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005